

Condo Insurance Guide

200 Rideau



1.0 Introduction: This Guide is intended to help owners and tenants understand what is covered by the **Condo Corporation's Insurance Policy**, what needs to be covered by the **Condo Unit Insurance Policy**, and their **Tenant's Insurance Policy**, if the unit is rented. This Guide also outlines the necessary steps that an **owner should take in an emergency situation** and how to successfully manage the **restoration of a damaged unit**.

1.1 Objective: To prevent gaps in insurance coverage that can lead to **thousands of dollars in unexpected expenses for condo owners and tenants**. Owners are strongly advised to review their **Condo Insurance Policy** with their insurance provider or agent, along with a copy of the Corporation's **Certificate of Insurance**, to insure that they have sufficient coverage to pay for the corporation's deductibles, personal belongings, injury liability, and emergency accommodations that may well last for months.



2.0 Condo Corporation's Insurance Policy:

2.1 Building Coverage: The building is insured on a standard all-risk condominium building policy on a replacement cost basis. This policy protects unit owners for liability arising out of their interest in the common elements. The extent of coverage and deductible amounts are listed in the corporation's **Certificate of Insurance** that is periodically sent out to all owners.

2.2 Unit Coverage: A unit owner can make a claim against the Corporation's policy for loss or damage to a unit, however, this **does not include damage to upgrades** (betterments and improvements over and above the **Standard Unit Specification**, per Schedules: 1 through 5, O.C.S.C.C. No. 803 Specifications, of the Declaration) or personal belongings including vehicles in privately owned parking spaces.

3.0 Owner's Condo Insurance Policy:

3.1 Basic Coverage: This includes damage to (or loss of) personal property, loss of use of the unit in case of damage, and injury liability for owners, guests, and tenants. If the unit is rented, check with your insurance provider on additional coverage that may be advisable.

3.2 Deductible Chargeback: The owner's insurance may be responsible for the deductible (\$25,000 or more) under the Corporation's Insurance Policy if the owner's or tenant's act or omission results in damage to any property the corporation is responsible for insuring. This includes damage to the owner's unit, neighbouring units, or common elements of the building.

3.2 Emergency Accommodations: The owner's insurance is required to pay for the cost of a hotel room (or other longer term accommodations) for the owner or tenant while repairs are completed on a damaged unit (regardless of how the damage was caused) that has been deemed unlivable. This could take weeks or months depending on the extent of the damage, availability of contractors, or the delivery of materials.

3.3 Insurance Checkup: The best way to ensure proper insurance coverage is to maintain insurance information (as indicated below) in a safe place and check that the insured amounts meets or exceed the estimated replacement cost values:

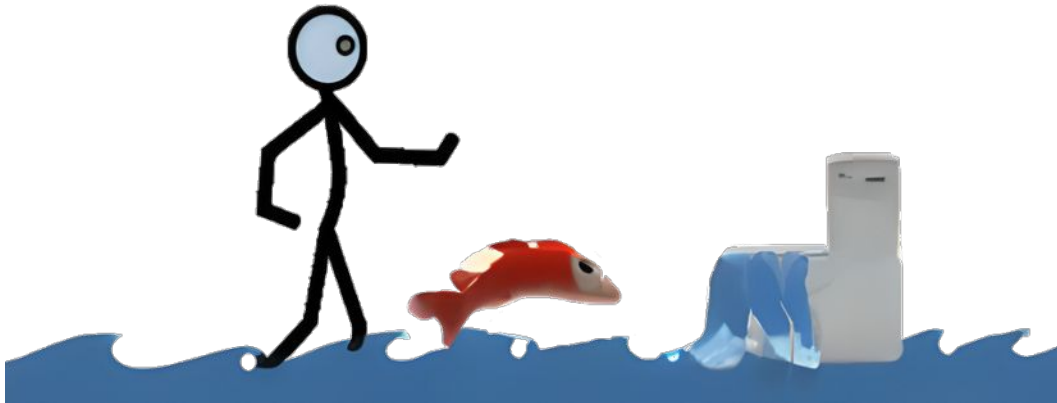
- a) List of **personal property**, details of expensive items, locker contents, and bicycles.
- b) Copy of the **Standard Unit Specification** as per the Declaration.
- c) Detailed **description of any improvements** made to the unit. This includes any **custom upgrades purchased** during the original building construction.

4.0 Tenant's Insurance Policy:

4.1 Basic Coverage: This includes damage to (or loss of) personal property and injury liability for tenants and guests. The best way to ensure proper coverage is to provide the insurance company with a list of **personal property**, details of expensive items, locker contents, and bicycles.

4.2 Emergency Accommodations: This should be covered by the owner's insurance. Tenants would be well advised to verify that their landlord's (owner) insurance coverage is sufficient. Tenants will need to **contact their landlord directly** for any questions or concerns as neither the Property Manager nor the Corporation can provide this information.

5.0 Emergency Flood Procedures:



5.1 Water Entering Unit: By far the most common emergency is caused by a water leak or a drain backup within the unit or coming from a neighbour's unit. In all cases a quick response from the resident, staff, and urgency services will limit the damages.

Step 1 – Try to determine the source of the leak and **shut off the water** if possible.

Step 2 - Contact the building **Superintendent** through the Front Desk at 613-241- 4440 weekdays from 7 AM to 3PM, otherwise call **Urgency Service** 613-234-4449 after hours and on weekends.

Note - The Superintendent and /or the Urgency Services will prevent further damage, cleanup any surface water, and send a **Preliminary Report** to Reid Management. They may also leave **dehumidifying equipment running** inside your unit if necessary. This very noisy equipment will likely need to run continuously for several days to dry out your unit and to prevent the formation of mold.

Step 3 - Call your insurance company to **report the incident** and to arrange for immediate assistance and **emergency accommodations** if required. An insurance adjuster will arrange to visit to assess the damages.

Step 4 - Contact Mike Fraser mfraser@reidmanagement.com at Reid Management (613-738-4646 Ext.6) to discuss the **Preliminary Report** and to answer any questions.

6.0 Unit Restoration:

There are a few important issues to be considered before starting the restoration, that may affect the **cost and duration of the restoration**, depending on the circumstances of the damage. In addition, you must fill out a **Renovation Application** form (available on the 200Rideau.com website) and follow the guidelines provided before any work begins.



6.1 If the water was determined to be **coming from inside an owner's unit** due to a faulty appliance, sink, tub, shower, toilet, leaking plumbing, or through an act or omission resulting in damage, the owner's insurance company will pay up to **the corporation's deductible** plus any damages to improvements made beyond the **Standard Unit Specifications**. (See Section 2.2 for more information.)

6.2 If the water was determined to be **coming from a neighbour's unit**, the owner will be provided with their contact information. The owner's insurance company will settle the claim with the neighbour's insurance and the condo corporation after an investigation is complete.

6.3 If the flood resulted from a **drain backup** inside an owner's unit or a neighbour's unit, a quotation will be provided by the corporation for the repair of the unit to the **Standard Unit Specification**. The cost of the repair to **any improvements**, will be covered by the owner's insurance policy.

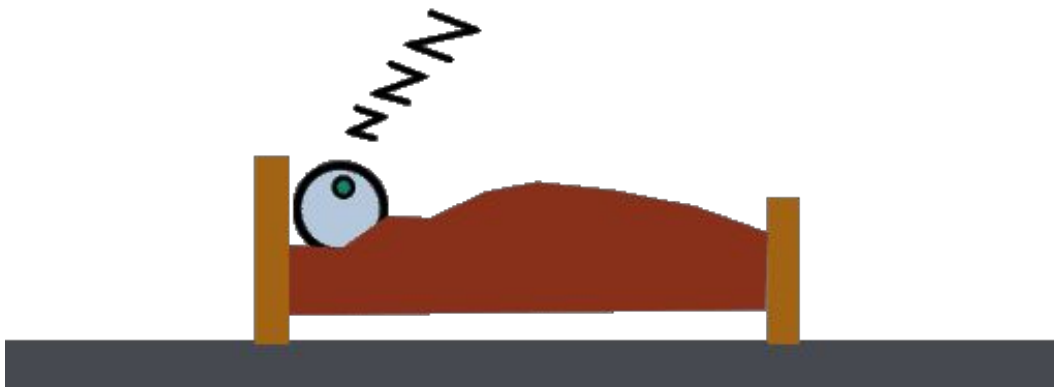
6.4 In the case of the corporation paying for repairs, the owner may have the option to **take a cash settlement** for the damage and then hire their own contractor to complete the repairs. This may be quicker if a qualified contractor is known to the owner.

6.5 The owner may consider doing **additional renovations** to their unit as they may be living away from the unit for some time. This unfortunate event could be an opportunity to make improvements to the unit. This can be arranged through the contractor that provided the initial quotation, or through the owners preferred contractor. Renovations are often less expensive as the contractor is already on site. The owner's insurance must be aware if these renovations will extend the owner's stay in alternate accommodations.

6.6 In any case, the owner needs to **get involved in the restoration process**, discuss exactly what is going to be done, by when, materials to be used, and monitor the work progress closely. **This is not the job of the property manager.** The contractor is working for the owner and it is in their best interest to ensure that the work is completed to their satisfaction. Close attention to detail and control over the restoration work will avoid **any unpleasant surprises after everything is finished.**

7.0 Conclusion:

This Guide was developed by your Board of Directors to highlight the importance of buying the right Insurance Policy to **avoid gaps in insurance coverage.** The cost of this insurance is very reasonable and will protect owners against a significant financial loss. Step by step instructions have been provided to minimize the damage and to **ensure that restoration is completed in a timely manner.** Finally owners must **get involved in the restoration process** of their unit in order to insure a satisfactory result. You will sleep better knowing that **your insurance has you covered.**



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